

DIRECTORATE OF INTELLIGENCE

WEEKLY SUMMARY

State Department review completed

Secret

48

14 April 1967 No. 0285/67

25X1

Next 3 Page(s) In Document Exempt

FAR EAST

The pattern of Communist military and political activity in Vietnam suggests that Hanoi remains convinced the time is not ripe for a move toward negotiations and is determined to strengthen the Communist position in the South for a protracted conflict. The recent upsurge in attacks on allied base camps and airfields in northern South Vietnam may be the forerunner of a summer offensive in this area which, according to a North Vietnamese defector, is scheduled to begin in mid-April. The disruption of Saigon's Revolutionary Development program remains a top-priority Communist objective. In an effort to deal with that program as well as with Viet Cong demoralization caused by allied military pressures, the Communists are seeking to strengthen their organizational apparatus and revitalize their local leadership cadres in the South.

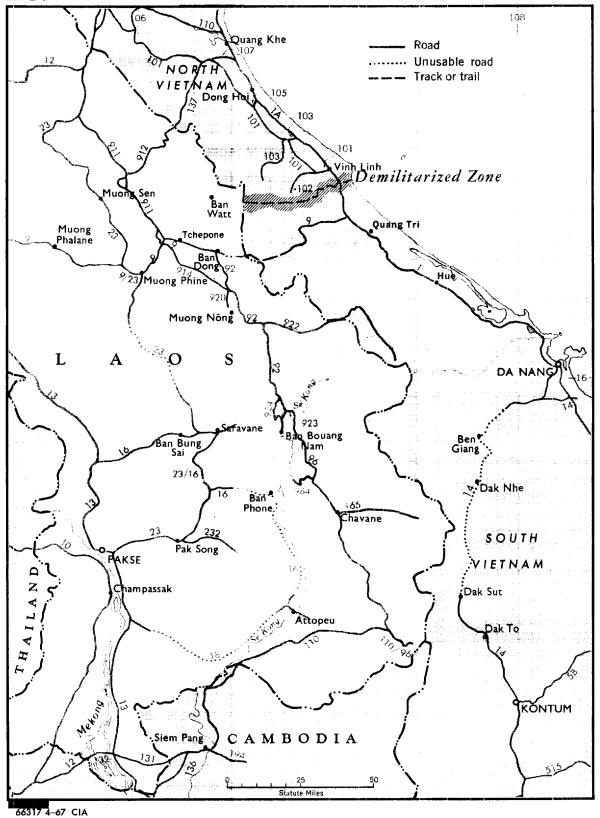
The main result of the two-week campaign against Liu Shao-chi, Teng Hsiao-ping, and other important Chinese Communist leaders has been moves to restore the authority and prominence of militant Red Guard organizations which were suppressed by the army in February. Pro-Maoist attacks on leading military figures appear designed to impose restrictions on the army's role in the contest between militant forces and those within the military and government leadership who are committed to restoring order and production. Although recent charges against Mao's opponents recall the extremism of last winter, it is not clear that this campaign will lead to a return of the excesses which marked earlier phases of the Cultural Revolution.

Cambodia's Chief of State Sihanouk is taking strong measures in response to an increase in political unrest and antigovernment agitation over the past two months. Although he has charged that pro-Communist elements are behind these disturbances, he appears to be concerned with the erosion of his political position and prestige and may be seeking a pretext to assert direct personal control of the government.

25X1

SECRET Approved For Release 2006/03/16 : CIA-RDP79-00927A005700080001-3

LAOS PANHANDLE



Approved For Release 2006/03/16 P. CIA-ROP79-00927A095700080001-3

VIETNAM

The unusually well-coordinated series of heavy attacks on 5 and 6 April against US and South Vietnamese positions between Quang Tri city and Hue may have actually marked the initiation of a summer campaign, directed against the Revolutionary Development program in South Vietnam's northern provinces.

25X1

25X1

such a campaign was scheduled to commence in mid-April and extend through September.

These attacks, which resulted in nearly 300 South Vietnamese casualties, demonstrated the insecurity surrounding two of the country's most important provincial capitals. Apart from their psychological shock value on the local citizenry-still evident several days afterward-the attacks may have been designed to lure sizable allied reaction forces into ambush positions prepared in advance.

Saigon Politics

The Constituent Assembly has turned its attention to this fall's presidential and legislative elections. During the rest of April, the assembly is scheduled to elect new of-

ficers, to revise some of its present procedural rules, and to draw up the laws governing the electoral process.

The assemblymen's deliberations in the next few weeks may involve lively internal jockeying both to form new alliances with an eye toward their own participation in the fall election and to organize blocs of support for individual presidential candidates. Since the present assembly chairman, Phan Khac Suu, is already running for president, a new assembly chairman will probably be chosen and there may be further realignments or mergers among the present blocs in a scramble to fill and control assembly offices.

Outside the assembly, another civilian, Tran Van Huong, has entered the presidential contest. Huong and Suu, both southerners, are probably about evenly matched in terms of popular support and should prove to be the most serious civilian contenders. However, certain similarities of their political experience and the fact that both will be appealing basically to the same segment of the electorate could cause them to cancel one another out in any three-way race with a military candidate, whether he be Premier Ky or Chief of State Thieu. The prospective

Approved For Release 2006/03/16 F/GIA-RDP79-00927A005700080001-3

military candidate is already given the edge in terms of a readily available campaign mechanism.

DRV Premier Reported in Moscow

North Vietnamese Premier Pham Van Dong and the Soviet

| ambassador to Hanci are report- | 2581 |
|---------------------------------|------|
| edly in Moscow, | 0574 |
| | 25X1 |
| On his last visit to Mos- | • |
| cow in August 1966 Pham Van | 25X1 |
| Dong was accompanied by De- | |
| fense Minister Vo Nguyen Giap | |
| and concluded an agreement | |
| for new Soviet military aid to | |
| North Vietnam. | 25X1 |
| | 1 |

DEVELOPMENTS IN COMMUNIST CHINA

The official campaign against Chinese Communist Chief of State Liu Shao-chi--now in its second week--shows no sign of abating. Mammoth anti-Liu rallies are still being held almost daily in Peking, and authoritative central committee journals continue to publish a steady flow of articles and editorials blaming Liu for every mistake made by the Chinese leadership under Mao Tse-tung during the past 30 years.

Peking appears to be setting the stage for the public ouster of Liu and the many senior officials who have been implicated with him in recent months. In fact, formal action of some kind may already have been taken at a high-level meeting convened in late March. Wall posters claim that Liu and four other already disgraced members of the elite

politburo standing committee were "condemned and crushed" at this meeting. The posters identify those who sided with Chairman Mao as Vice Chairman Lin Piao, Premier Chou En-lai, Cultural Revolution officials Chen Po-ta and Kang Sheng, and economic planner Li Fu-chun.

Militant elements in the leadership may also be trying to use the anti-Liu campaign to renew and extend the drive against Mao's opponents. Steps are being taken to revive militant Red Guard groups and reverse some of the moderate policies adopted in February and early March when the regime was trying to restore order. At that time Red Guards came in for considerable press criticism and in some localities were subdued and arrested by military commanders, presumably acting on orders from Peking.

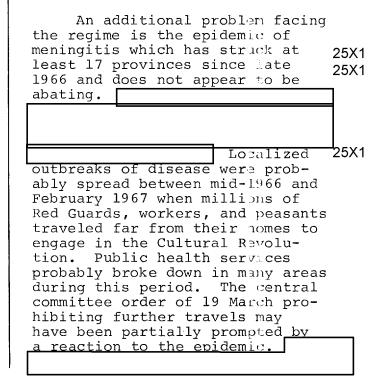
Approved For Release 2006/03/16; CIA-RDP79-00927A005700080001-3

In the past two weeks, however, Peking has published fulsome praise for the Red Guards and has criticized the army for suppressing pro-Mao leftists.

Directives by the central committee and its Military Affairs Committee, posted in Peking on 1 and 6 April, ordered the army to protect leftists-even those with shortcomings -and not to arrest any without permission of the central committee. In posters seen on 6 April, Chou En-lai, Madame Mao, and Public Security Minister Hsieh Fu-chih were quoted as saying that leftist student groups disbanded in February would be revived, and that military representatives who had been sent to schools to restore order would be withdrawn.

Three vice chairmen of the party's powerful Military Af-fairs Committee and Foreign Minister Chen Yi have come under severe Red Guard criticism for trying to block the Cultural Revolution and to protect "con-

servatives" opposed to Mao. A few posters defending these men have also been seen, however, suggesting that the attacks were aimed at policies of retreat associated with them rather than at the men themselves.



25X1

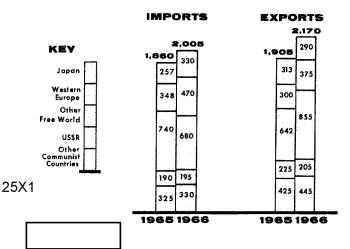
Approved For Release 2006/03/16: CIA-RDP79-00927A005700080001-3

COMMUNIST CHINA'S TRADE IN 1966

The Cultural Revolution and deteriorating external relations appear to have had little effect on Communist China's foreign trade in 1966. This trade grew during the year by 10 percent to reach an estimated \$4.2 billion, just a shade below the previous peak of \$4.3 billion in 1959. The growth lagged behind the 18-percent figure of the previous year, however, and some effect of the domestic disorders could become apparent in 1967.

China continues to put increasing emphasis on trade with the West. Free world countries accounted for over 70 percent of 1966 trade and most of its growth. Trade with Japan, China's largest trade partner, grew about 32 percent to constitute about 15 percent of the total. Western European trade grew over 30 percent with West Germany replacing the UK as China's largest supplier in

CHINESE COMMUNIST TRADE IN 1965-66 (estimated in million US dollars)



Western Europe. The rate of growth for trade with less developed countries in the free world, which dipped sharply in 1965, remained at a low percent. Figures on trade with Communist countries must be estimated (see chart) but probably grew slightly, largely because of increased imports from Eastern Europe and increased exports to North Vietnam. Sino-Soviet trade was probably a little less than the low level of 1965.

Grain remains China's largest import commodity, with 1966 shipments of about \$375 million, primarily from Canada and Australia. Much of the increase in imports from Western Europe represents deliveries of equipment under contracts signed in 1964 and 1965 for complete industrial plants. Such contracts signed in 1966 totaled an estimated \$21.5 million, down substantially from the value of orders placed in the previous two years, probably because of the failure to conclude the contract for the \$150-million steel rolling mill from a Western European consortium. Negotiations on this contract have resumed this month. Imports from Japan included finished and semifinished industrial goods as well as equipment under wholeplant contracts.

Almost half of China's exports were in agricultural products, with foodstuffs accounting for almost a third of the total. Textile and light manufactured items continue to be major export items.

25X1

Approved For Release 2006/03/16 : CIA-RDP79-00927A005700080001-3 SECRET

INCIDENTS RISING IN KOREAN DEMILITARIZED ZONE

Shooting incidents in the Korean Demilitarized Zone (DMZ) have increased in recent weeks as they do every spring when the North Koreans take advantage of improved weather and ground conditions to step up agent penetrations of the south. This year, however, the number of incidents is about three times greater than during the same period of 1966.

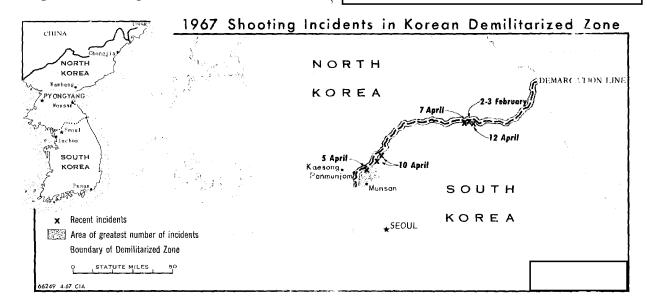
Two principal factors probably account for this. UN Command forces have stepped up their patrolling as the result of an upsurge in North Korean provocations last fall. Also Pyongyang is reported to have doubled its agent training and operational capability.

Three incidents this year appear to have resulted from intentional North Korean provocations. On the night of 2-3 February a South Korean guard post was unsuccessfully attacked by 10 or 11 North Korean troops. On 5 April a US work

party was pinned down by enemy fire for an hour about a mile east of the Panmunjom Joint Security Area. The proximity to Panmunjom suggests that the incident may have been a retaliation for the defection of the vice chief of the North Korean Central News Agency during a Military Armistice Commission meeting there on 22 March. On 12 April a South Korean ambush unit came under heavy fire after it fired on three intruders. The North Koreans may have been seeking revenge for earlier losses.

This year's incidents in the vicinity of the DMZ have cost the North Koreans about 17 killed. The US and South Korea have lost one man each. In addition, 49 South Korean naval personnel were lost on 19 January when a North Korean shore battery sank their patrol boat off the east coast,

25X1



25X1

SECRET

Page 7 WEEKLY SUMMARY 14 Apr 67

Approved For Release 2006/03/16 : CIA-RDP79-00927A005700080001-3 SECRET

ANTIGOVERNMENT ACTIVITY IN CAMBODIA

Chief of State Sihanouk appears to be taking strong measures to bolster his authority in the wake of increased antigovernment activity in Cambodia.

In a speech on 3 April denouncing armed attacks by "pro-Communist" rebels in Battambang Province near the Thai border, Sihanouk stated that he would call, if necessary, for a "suspension" of the functions of the National Assembly and of the government of Premier Lon Nol. Sihanouk's proposals suggest that he is genuinely concerned over the security situation and over the erosion of his own prestige in view of the maneuvering by both the leftist and moderate elements.

A number of agitators, subsequent to the attacks, were arrested and, according to Sihanouk, a military court will try 48 of them.

The extent to which hardcore Communists are actually involved in the agitation is still
unclear. It appears, however,
that leftist elements in Phnom
Penh, supported by Communists
there, have at least provided
the main impetus for the rebel
activities.

25X1

25X1

While acting to contain the leftist agitation, Sihanouk is evidently trying to maintain a balance between leftist and moderate forces. Despite his threats to suspend the government, so far he has resisted leftist pressure for the ouster of Premier Lon Nol and instead has removed two moderate cabinet ministers. One of the replacements has connections with leftist elements. Should dissident activity persist or increase, however, Sihanouk might still take over direct personal control of the government.

25X1

Approved For Release 2006/03/16 : CIA-RDP79-00927A005700080001-3 SECRET

EUROPE

The NATO allies have reacted favorably to textual revisions of the draft nonproliferation treaty offered by the US, but serious problems remain. The article on international safeguards continues to be the chief stumbling bloc, and the Soviet attitude toward the compromises being sought is problematical. The new text is scheduled to be tabled jointly by the US and the Soviet Union when the Eighteen Nation Disarmament Committee reconvenes in Geneva on 9 May.

East German boss Ulbricht, whose party will convene its Seventh Congress on 17 April, is no doubt pleased by the success he and Poland's Gomulka have had in thwarting West Germany's new Eastern An East German - Bulgarian treaty of mutual policy. assistance--similar to last week's Polish-Bulgarian pact--is expected in the near future, linking Sofia to the anti-Bonn treaties recently signed by the three northern Communist states. Bulgaria has made clear, however, that it does not share the strident anti - West Germanism of its northern allies, who may fail to gain a strong endorsement of their views at the European Communist party conference later this month. Meanwhile, high-ranking members of the Italian and French Communist parties in recent visits to Bucharest do not appear to have had any greater success than Poland's Kliszko or Brezhnev in persuading Rumania to attend the conference.

25X1

Approved For Release 2006/03/16; CIA-RDP79-00927A005700080001-3

NEW SOVIET DEFENSE MINISTER NAMED

The appointment of Marshal A. A. Grechko as the USSR's minister of defense has cleared the way for the long overdue renovation of the Soviet high command.

Grechko is known to a strong proponent of professionalism in milītary affairs, as symbolized by one-man command--usually a sore issue with the political leadership. However, the current political leaders have placed a high premium on clearcut and regular channels of command and responsibility and have taken steps to reduce the party's interference in operational matters in many spheres of national life. Under these conditions, Grechko's emphasis on professionalism and command responsibility need not lead to conflict, and may even improve his relations with the political leadership.

Grechko became the number two man in the Defense Ministry in the spring of 1960. He replaced Marshal I. S. Konev who opposed Khrushchev's streamlining of the USSR's defenses, as Warsaw pact commander and senior first deputy minister of defense. Grechko consistently flattered Khrushchev and supported his programs. He backed even those Khrushchev moves which others in the high command opposed.

Despite his association with Khrushchev, Grechko is believed

to have good connections with several present members of the politburo and other important political leaders. Grechko's record suggests that he will maintain a judicious balance between political and professional demands. He has a forceful personality, however, and in the past has advocated strong reliance on strategic attack forces, especially mobile ICBMs and missile-armed nuclear submarines, assigning somewhat less importance to the other forces. Even if he finds it politic to submerge these views, they may, over the long term, influence Soviet politico-military policy.

The first step in the realignment of the high command has been the promotion of three relatively young officers, all in their mid-50s. Army General I. I. Yakubovsky has been made a marshal and a first deputy minister and will probably take command of the Warsaw Pact forces. Colonel Generals S. L. Sokolov and I. G. Pavlovsky have been promoted to general of the army. Sokolov has also been made a first deputy minister and Pavlovsky, a deputy minister. Rejuvenation of the military hierarchy probably would have begun in any case around the time of the 50th anniversary of the Bolshevik Revolution this fall, but its schedule has apparently been moved forward as a result of Marshal Malinovsky's death.

25X1

Approved For Release 2006/03/16 F/C/A-RDP79-00927A895700080001-3

FASTERN FUROPEAN MILITARY BUDGETS INCREASE

The military budgets of most of the Eastern European countries have been increased for the second year in a row. Only Bulgaria's budget is below last year's; Albania's is unchanged. No figures are available for Czechoslovakia. Except for East Germany, however, the Eastern European countries have earmarked a smaller percentage of their total 1967 budgets for military expenditures than they did in 1966.

Increased defense expenditures probably are largely attributable to the gradual modernization of equipment taking place in Eastern Europe. This is especially true in Poland, Czechoslovakia, and East Germany, where the armed forces are getting more sophisticated weapons costing more than the equipment they replace. Small increases in administrative expenditures may also account for the higher military budgets. Annual changes in military expenditures probably reflect, in part, payments for imports made during the preceding year rather than planned purchases in the budgeted year.

Poland and Czechoslovakia produce most of their own land armaments, although they bought

| Country (and currency) | 1966 Planned (in millions) | 1967 Planned (in millions) | 1967 Percentage Change From 1966 _o | o s Perc | xpenditures entage of Budget 1967 |
|----------------------------|----------------------------------|----------------------------------|--|------------------|--|
| ALBANIA (Leks) | 272 | 272 | None | 7.7 | 7.6 |
| BULGARIA (Leva) | 252 | 247 | -2.0 | 7 6.5 | 6.0 |
| EAST GERMANY (DM) | less than 3,300 | abaut 3,592 | +8.8 | Liss than 5.0 | about 5.0 |
| HUNGARY (Forints) | 5,219 | 5,437 | +4.2 | 5.5 | 5.2 |
| POLAND (Zlotys) | 25,276 | 26,450 | +4.6 | 9.0 | 8.4 |
| RUMANIA (Lei) | 4,790 | 4,960 | +3.5 | 4.5 | 4.0 |
| YUGOSLAVIA (Old Dinors) | 506,740 | 538, 175 | +6.2 | 58.4 | 55.0 |

a few additional transporters and missiles from the USSR in 1966. A Hungarian defense official has stated that Hungary intends to develop, strengthen, and modernize its army in 1967 in order to fulfill its Warsaw Pact obligations.

The figures are believed to understate the actual level of spending because some military expenditures are included elsewhere in the budget and because subsidies on some items purchased by the military are not included in the military figures. However, they probably indicate the general trends in the national levels of military expenditures.

25X1

25X1

Approved For Release 2006/03/16: CIA-RDP79-00927A005700080001-3

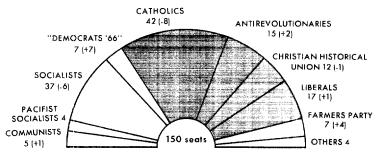
PROSPECTS FOR THE NEW DUTCH GOVERNMENT

The Netherlands' new government may be short lived. It is made up of traditional parties, mostly church oriented, which are unlikely to do much to allay the rising public discontent revealed in the 15 February elections. Young people especially, relatively affluent but dissatisfied with the rigidity of Dutch political and social patterns, have directed their protests against the monarchy itself and on occasion have resorted to violence.

In the elections, nonreligious parties won a majority of the 150-member lower house for the first time in Dutch history. The two major Protestant parties picked up one seat, owing to the popularity of the outgoing interim prime minister. The Catholic party, however, which had steadily won a third of the parliamentary seats in every election since World War II but has suffered politically from the liberalization of the Catholic Church itself, dropped 16 percent in voting strength.

The Socialist (Labor) Party also suffered a reverse, dropping 14 percent compared with results in 1963. Its campaigners em-

THE DUTCH LOWER HOUSE



Numbers in parentheses show gain or loss in 15 February 1967 election

phasized criticism of US activity in Vietnam, and indirectly of NATO. The party's leftist tone helped limit the losses of its left wing to one seat but its right wing suffered substantial losses.

The unrest and change which have thus hurt the big parties have fostered the growth of three new protest movements: the right-wing Farmers' Party, the moderate Democrats '66, and the anarchistic Provos.

The Farmers' Party first won national representation in 1963 with three seats in the lower house. Despite well-documented charges in 1966 of Nazi collaboration during the war, the Farmers more than doubled their representation this February, a startling gain by Dutch standards. Party leader Hendrik Koekoek's image as a simple and uneducated "down to earth" politician has won him wide support.

The Democrats '66 party was formed only four months before the February election but won seven seats, a feat without precedent in the Netherlands. This success expresses the discontent of Dutch youth with the established multiplicity of parties differing more in theology than in economic and political views and thus offering little meaningful choice for the voter. Also appealing to youth, the Provos' movement is important even though it did not win representa-The Provos agitate through "happenings" staged to provoke (whence their name) unjustifiably severe police retribution to highlight Dutch authoritarianism.

25X1

25X1

Approved For Release 2006/03/8ECARDP79-00927A995700080001-3

MIDDLE EAST - AFRICA

The Syrians were stung badly by the Israelis last week, losing a quarter of their MIG-21 inventory. The Israelis appear to believe they have proved that they can be dangerous if pressed too far but, to stress the point, they are reinforcing their border. Although Syrian leaders undoubtedly do not wish to risk further serious losses soon, they cannot appear intimidated and occasional sniping across the border continues. In general, the affair has revealed the present emptiness of the Syrian-Egyptian defense pact.

Cyprus is uneasy in the wake of several serious exchanges of fire between Greek and Turkish Cypriots last weekend. UN Peace Force troops succeeded in silencing the guns but the atmosphere of confrontation continues around the Turkish Cypriot enclaves.

finitio.

THIF

EB JARTI

er eresi

14.14

ATTHE

TI VEST

Athens is still preoccupied with its own crisis. Demonstrations have now been stirred by leftist elements seeking the fall of the Kanellopoulos government and the installation of a service government to hold elections. Despite this agitation, Kanellopoulos may proceed to exercise his mandate from the King to dissolve Parliament and call elections without the parliamentary approval he had been seeking. In any event, Greek conservatives are hoping somehow to circumvent a return to power of the radical opposition sparked by the Papandreous.

Prime Minister Gandhi managed to get present Indian Vice President Husain named as her Congress Party's candidate for the presidential election by an electoral college next month. He is a Muslim, however, and if this fact loses the votes of too many Hindus in a body where Congress has only a slim majority, Mrs. Gandhi could be in further political trouble within her own party.

| | Nigeria | a remains | s Afric | ca's r | nost | press | sing | pr | oble | m |
|-----|----------|-----------|---------|--------|------|-------|------|----|------|---|
| An | eventual | breakup | seems | more | and | more | to | be | in | |
| the | cards. | | | | | | | | | |
| | | | | | | | | | 25X1 | |

Approved For Release 2006/03/16 : CIA-RDP79-00927A005700080001-3

UN MISSION TO SOUTH ARABIA FAILS

The UN mission to Aden appears to have ended in failure, although the British are continuing efforts to revive it. The main achievement of the visit appears, somewhat ironically, to have been the further exacerbation of internal rivalries among Adeni nationalists.

The mission left on 7 April after only five days, charging a lack of British cooperation. It refused to speak to leaders of the British-backed South Arabian Federation, either as government officials or as traditional tribal leaders. In fact, it spoke only to one group, imprisoned terrorists, most of whom refused to answer, since they belonged to the nationalist groups boycotting the mission. The mission is now

in Geneva deciding its next move, which could be the visit to London the British are pressing for.

The violence which grew out of the general strike called on the occasion of the visit was anticipated and was accordingly kept to a minimum by the military precautions taken by the British. On the other hand it served to delineate the seriousness of the schism between the contending nationalist groups in Aden. addition to their sporadic clashes with British troops, the nationalists engaged in vicious internecine skirmishes which killed five and wounded two of their own number -- and which are continuing despite the end of the strike and the departure of the mission.

25X1

ISRAELIS PUNISH SYRIAN AIR FORCE

Both Israel and Syria appear to be braced for further action following their major clash on 7 April, but neither side has so far seemed willing to let further serious incidents develop.

An air battle between Israeli Mirages and Syrian MIGs developed over the border after an exchange of mortar and tank fire in the southern demilitarized zone on the shore of Lake Tiberias. The Syrians had provoked the initial skirmishes

by firing at Israeli tractors plowing fields in the disputed area, but the Israelis were prepared for action and were the first to take to the air. During the engagement the Syrians apparently lost six MIG-21s-roughly one quarter of their MIG-21 inventory. The Israelis deny losing any aircraft of their own,

Although protests have been lodged at the UN, the Security

25X1 25X1

Approved For Release 2006/03/19 FCJR-RDP79-00927/2005700080001-3

Council has not been called to meet on the problem.

The Israelis, having easily proved their military superiority

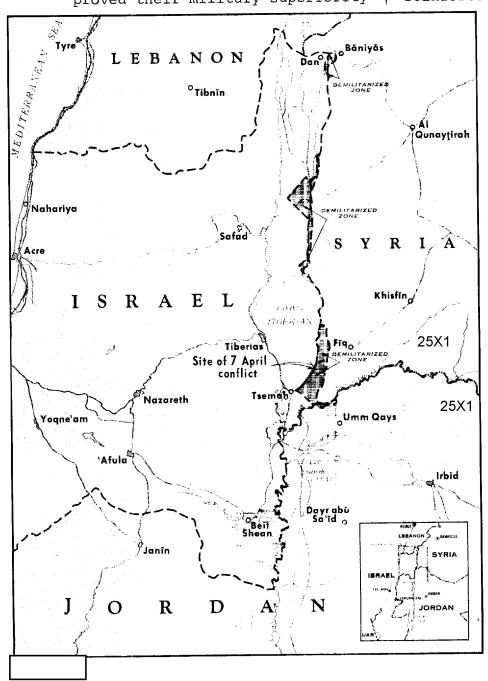
to their own satisfaction, will probably not soon feel impelled to initiate renewed action on last Friday's scale. They have reinforced their ground deploy-

ments in the border area, however, and would almost certainly be ready to respond vigorously to any new provocation they deem sufficiently serious. The Syrians probably appreciate this, but nonetheless have continued to shell Israeli tractors—on 11 and 12 April.

Last Friday's action seems to have confirmed that the highly publicized Egyptian-Syrian mutual defense pact signed last November still exists only on paper.

the Egyptians took no steps to help the Syrians during the 7 April fray. The Jordanians have publicly expressed support for their neighbors to the north, but privately they probably are pleased with the day's results as justifying their own refusal to purchase MIGs rather than American F-104s.

25X1



25X1

Approved For Release 2006/03/16 P. F. A-RDP79-00927A005700080001-3

CRISIS CONTINUES IN NIGERIA

There is still little hope of an early reconciliation between Nigeria's feuding leaders.

In response to Eastern governor Ojukwu's edict requiring that all revenues collected in the East be paid to the regional treasury, federal government head Gowon has decided that ships using Eastern harbor facilities must pay their port costs in Lagos. Stiff fines would be levied on any who pay in the East. Implementation, however, has been held in abovernor.

25X1

25X1

has been held in abeyance.

There are some recent indications that Gowon may now be supported by the Western and Mid-Western governors, who previously have been reluctant to take strong action against Ojukwu. The two governors are reported

to be increasingly impatient with Ojukwu.

In the Eastern Region, tempers are also rising over the continuing differences with the federal regime, and Ojukwu's leading civilian and military advisers are leaning toward outright secession as the only possible solution.

25X1 25X1

still seems interested in negotiating, but is becoming increasingly pessimistic about achieving terms acceptable to the East. He almost certainly would secede

rather than jeopardize his present personal position of leadership.

Although Gowon seems willing to participate in a possible second meeting in Ghana of Nigeria's Supreme Military Council (SMC), prospects for such a meeting do not appear bright. The federal government has so far refused to register the executive jet aircraft Ojukwu recently purchased, and Ojukwu has already told the US consul he will never again attend an SMC meeting unless this is done.

25X1

WESTERN HEMISPHERE

Caretaker governments tended shop throughout the hemisphere this week as the presidents gathered in Punta del Este for the summit meeting.

Security forces in several countries were alerted in response to reports of plans for student demonstrations repudiating the summit conference and a call by the Havana-based Continental Students Organization for a general student strike. Bombs which exploded in several countries probably were the work of extremist groups protesting the summit meeting.

The Ecuadorean Government is being harassed by labor tensions and small-scale civic demonstrations protesting alleged government inaction and inattentiveness to local problems. The Communist-dominated Confederation of Ecuadorean Workers is seeking a 40-percent wage increase for its members.

Jamaican Prime Minister Sangster, who died on 11 April, has been succeeded by Hugh Shearer, the former minister of external affairs and a powerful labor leader. Shearer--who lacks Sangster's national prestige--will have his work cut out for him in uniting the ruling Jamaica Labor Party behind him.

In Nicaragua, the death of former president Luis Somoza on 13 April removes a much-needed moderating influence on the president-elect, his younger brother Anastasio, and will reinforce the opposition's apprehensions about the younger Somoza.

25X1

Approved For Release 2006/03/16 ROIA-RDP79-00927A005700080001-3

NEW PRIME MINISTER IN JAMAICA

The Jamaica Labor Party's selection of External Affairs Minister Hugh Shearer to succeed Prime Minister Sangster, who died on 11 April, could produce a sharp division in the party.

In choosing Shearer, the party has bypassed Housing Minister Tavares, who was Sangster's choice for acting prime minister. Tavares' resentment will probably be shared by his powerful

colleague, Minister of Welfare and Development Edward Seaga, who together with Tavares heads the Liberal wing of the JLP.

Shearer, 43, became external affairs minister in February when Sangster succeeded Sir Alexander Bustamante. As a powerful trade union leader and Bustamante favorite, Shearer has been considered a likely successor to Sangster; the two had worked closely together in the past. The new prime minister may, however, have some difficulty in uniting the party behind him. He lacks Sangster's national prestige and is not known to be an astute politician.

As prime minister, Shearer is expected to pursue an increasingly independent line in international affairs. He gained some international recognition when he headed Jamaica's mission to the United Nations. Shearer has exhibited great friendliness toward the United States, although he has become somewhat cooler since 1963, primarily be-



cause of differences over US assistance and a failure to obtain waivers for the entrance of Jamaican migrant workers to the US. In 1965 Shearer said he was personally opposed to any move to join the Organization of American States. He may have moderated this view, however, since OAS membership is appearing increasingly attractive to other former British colonies in the Caribbean.

As chief leader of government business in the Senate, and the government's principal Senate spokesman on foreign policy and defense, Shearer has demonstrated considerable ability and seems adequately prepared to assume the reins of government. His only political or economic philosophy, however, is party loyalty.

25X1

25X6

25X6

Approved For Release 2006/03/16 SQLA-RDP79-00927A095700080001-3

DOMINICAN PRESIDENT'S PROBLEMS

Delicate political and military problems that are in part an outgrowth of the 21 March attempt to assassinate Antonio Imbert will confront Dominican President Balaguer when he returns from Punta del Este.

Prior to his departure Balaguer averted the threatened resignation of Minister of Interior and Police Amiama--whom the President appointed only two weeks ago to head off antigovernment repercussions from the attack on Imbert--by sending one of Amiama's adversaries, ex - police chief Tejeda, to a minor post in the interior.

This move, however, is unlikely to do more than merely postpone further dissension between Amiama and Balaguer. The President has reportedly said that Tejeda's new assignment is only temporary and commented that Amiama's pressures are reaching the limit he will tolerate. Amiama seems sure to press for a further reduction of "Trujillista" influence in the government as well as to build up his own power base.

Should Amiama resign, his action would probably be coupled with strong criticism of Balaguer for hindering solution of the Imbert shooting and could lead to cooperation between the anti-Balaguer right and left. Indeed,

there already has been some collusion between Amiama and Dominican Revolutionary Party secretary general Pena.

| created cracks in the heretofo solid facade of military supportion Balaquer. | |
|--|--|
| TOT Daraguel. | |
| <u>-</u> | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Military discontent is in part focusing on Minister of Defense Perez. Many officers believe he is allowing Amiama too much leeway in investigating possible military involvement in the attack on Imbert. They also represent Perez' efforts to curb the autonomy of the military services which apparently were made at the behest of Balaguer. In addition, endorsements of Perez' conduct by the Dominican left have probably discredited him among some officers.

So far, antigovernment civilian and military etements are not united. Nevertheless, the potential clearly exists for alliances that could pose a serious threat to government stability.

25X1

25X1

Approved For Release 2006/03/16: CIA-RDP79-00927A005700080001-3

BOLIVIAN GUERRILLAS ACTIVE AGAIN

Guerrillas operating in southeast Bolivia have struck again at army patrols and inflicted heavy casualties. The latest incident occurred on 10 April not far from the site of the 23 March attack.

The government declared the guerrilla area a military zone on 12 April and outlawed both the pro-Soviet and pro-Chinese Communist parties and the Trotskyite Revolutionary Workers' Party. The latter actions may presage similar moves against other opposition political groups.

Although the political orientation of the guerrillas has not been definitely established, they are still believed to be a mixed bag of extreme leftists numbering up to one hundred and under the leadership of Moises Guevara.

numbering up to one hundred and under the leadership of Moises Guevara.

| The latest incidents are likely to increase disagreements within the military over the reasons for its poor showing | - 25X1 |
|---|--------|
| against the guerrillas. |] 23/1 |

Repeated guerrilla successes against the ineffective military units could spark activity in northern and central Bolivia where bands belonging to the pro-Soviet Communist Party are reported.

25X1

25X1

25X1

25X1

25X1

Approved For Release 2006/03/16 : CIA-RDP79-00927A005700080001-3

Secret